

# ENERGISING THE PORTUGUESE MARKET - AVM ADVOGADOS

*Posted on 16/08/2012*



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## **Angola and Portugal have a special partnership, and, at AVM, they believe that finance flowing from one to the other should be cherished and not feared**

From 2006 onwards, political and economic cooperation between Angola and Portugal has been going from strength to strength, says António Vicente Marques, Founding Partner at AVM Advogados, the Angolan law firm. "This, of course, helps facilitate business between the two countries."

Over the past years, there have been an increasing number of State visits and entrepreneurial missions by the Government, says Mafalda Seabra Pereira, Senior Associate at AVM Advogados. "Political entities on both sides are constantly making attempts to stimulate trade between Portugal and Angola."

While Portugal, however, is experiencing a serious scarcity of capital and incredible difficulties by local banks and companies to access financing, Angola is continuing its rather staggering economic growth. "There's a great deal of liquidity available," says Vicente Marques, "and this shows no signs

of running out anytime soon".

The natural result is that cash-rich Angolan investors are looking at Portugal as part of their business strategies, and taking advantage of the opportunities that are currently available there.

## **Methods**

"Most Angolan investments into Portuguese companies have started steadily," says Seabra Pereira. "They begin by taking over minority interests in key companies and then slowly reinforcing their holdings." As Portuguese shareholders are experiencing difficulties, Angolan partners have been playing an important role supporting a great deal of local companies that are becoming short of funds, she adds.

This has been working as a form of "economic energiser", says Vicente Marques. "And if Angolan investors are willing to make long-term commitments in strategic areas of the Portuguese economy, and take strong and controlling positions, they can help local companies weather the crisis."

## **Banking and commerce**

The most publicised investments are in the banking and commercial sectors, says Seabra Pereira.

"Millennium BCP, for example, where Sonangol, the National Society of Petroleum of Angola, has a major influence."

Bank BIC, which won the privatisation of BPN (Banco Português de Negócios, SA), and BPI are other examples of where Angolan investors have important holdings, she adds.

## **Other sectors**

It's not just into these two sectors that Angolan funds are pouring. They are also moving into the energy sector, says Seabra Pereira, with Galp Energia being the most high profile example. "Once again," she adds, "Sonangol is an important stakeholder there too, though the interest held in Amorim Energia BV".

Angolan entities are also investing heavily in media and telecommunications, for example, newspapers, TV, some film studios and also media distribution, says Seabra Pereira. "In construction, we have also seen a lot of recent activity in engineering and infrastructure management companies. And there are vast investments into Portuguese real estate too."

## **A special partnership**

"Lisbon and Luanda are extremely well tuned politically, and both Governments have been promoting common economic agendas," says Seabra Pereira. "This of course leads to a very special partnership that benefits both sides." Seabra Pereira stresses that this influx of Angolan investment should be seen as an important support from a country with which Portugal has strong historical and language ties. "And this will invariably help the Portuguese economy with some needed financial liquidity that in turn will aid development and assist in stabilising the economy for the future."

On the other side, Vicente Marques is also starting to see a lot of European companies and investors coming from Asia, trying to use Portugal as a platform to get into Africa. "They see Portugal as an EU member, which provides an additional level of comfort for international investors to use it to safely access the African market."

So for both countries, this partnership is proving a beneficial one. The future will only serve to reinforce the relationship, and create even more favourable conditions to access both markets, says Seabra, which is one positive that can be taken from this crisis situation.